***ACTION NAME: Plans for Equity development.***

***WHAT/DESCRIPTION***

In the long term the equity must develop positively. To maintain freedom of action within the current level of operation, and to maintain liquidity in the longer term, the financial results must be at least large enough to be able to pay installments on the loans without compromising liquidity.

To make the school less dependent on the financial volatility and uncertainty we need to build up a buffer, or free up equity. This will provide greater opportunities for development and provide financial room for growth.

We want the money to be used for educational purposes within a reasonable time. Nevertheless, the budget always includes a degree of uncertainty and we must assume that there is understanding of the need to maintain a fixed margin.

New development within the school which substantially changes the school's financial structure will have to be independently financed or somehow made to fit within this financial strategy.

***MEASURABLE GOAL***

*Set a target annually in the budget for the development of the equity in the form of positive financial results from 1% to 3% of annual revenue.*

***TIMEFRAME AND MILESTONES***

*Present a Budget to the Board in December within this framework.*

***RESPONSIBLE PERSON***

*Director of Finance*

***COST***

*No extra*

***RELEVANT FOR:***

*To create a more secure, longer term and sustainable financial and funding model*

*Maintain cost discipline and control.*